



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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Information Bulletin **No. CA-2003-049**

To: All Employees

From: Deputy State Director, Support Services

Subject: Thrift Savings Plan Catch-Up Contributions

Beginning in July, TSP participants who are 50 years or older in 2003 and are already contributing the maximum amount allowable to the plan, will be eligible to make a new type of tax-deferred contribution to the TSP. The maximum amount of regular contributions for 2003 is 13% for FERS employees, and 8% for CSRS employees. If you meet both of these requirements, then you may elect to make tax-deferred "catch-up" contributions from your basic pay to your TSP account.

These contributions are a supplement to regular employee contributions and do not count against either the statutory contribution percentage limitations, i.e. in 2003, 13% for FERS employees and 8% for CSRS employees or the Internal Revenue Code's elective deferral limit which is \$12,000 in 2003. The catch-up contributions have their own annual limit. In 2003, that amount is \$2000.

The TSP has made available a Fact Sheet for participants, which provides complete information on catch-up contributions. You may obtain a copy of the Fact Sheet at <http://www.tsp.gov/forms/oc03-03.pdf>. There is also a Fact Sheet on Annual Limit on Elective Deferrals available on the TSP website at <http://www.tsp.gov/forms/ocfs91-13.pdf>.

These contributions, like regular employee contributions, are made on a pre-tax basis. Because these contributions are taken from your wages before tax dollars, they must be made by payroll deduction. These contributions are **not** eligible for matching contributions and there are no Agency Automatic 1% contributions associated with catch-up contributions.

Catch-up contribution elections are not subject to open season rules. More than one election may be made in any given year. You may stop or restart your contributions at any time. Elections are made in whole dollar amounts. Elections are made effective no later than the first full pay period following receipt of the election. The election terminates with the last pay date of the year. You must make a new election each year because the annual limit changes.

To participate in this provision, you must make an election either by using Employee Express or completing a TSP-1-C. The Employee Express database will not be available to accept these elections until July 28th. The TSP-1-C is available on the TSP website at www.tsp.gov. You are encouraged to use Employee Express when making these elections.

For planning purposes, there will be nine (9) pay periods this calendar year for these deductions. The effective date for the first contributions will be August 10, 2003.

If you have questions concerning Catch-up contributions, please contact Angie Dailly in the Human Resource Services office at (916) 978-4476.

Signed by:
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DSD, Support Services

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Records Management